

2011 Property Tax Report

Montgomery County

with Comparisons to Prior Years



Legislative Services Agency

September 2011

This report describes property tax changes in Montgomery County between 2010 and 2011, with comparison to changes since 2007. In 2011, the changes from the big tax reform of 2008 were fully phased in with the elimination of the last of the state homestead credits. The 2009 recession affected assessments and local tax credits in many counties. Changes in local levies and assessments also were important in many counties.

Comparable Homestead Property Tax Changes in Montgomery County

The average homeowner saw a 111.8% tax bill increase from 2010 to 2011.

Homestead taxes in 2011 were still 68.6% lower than they were in 2007, before the property tax reforms.

96.0% of homeowners saw lower tax bills in 2011 than in 2007.

82.2% of homeowners saw tax increases of 20% or more from 2010 to 2011.

The largest percentage of homeowners have seen between a 70% and 79% decrease in their tax bills from 2007 to 2011.

	2010 to 2011		2007 to 2011	
	Number of Homesteads	% Share of Total	Number of Homesteads	% Share of Total
Summary Change in Tax Bill				
Higher Tax Bill	8,543	92.7%	334	3.6%
No Change	399	4.3%	32	0.3%
Lower Tax Bill	276	3.0%	8,852	96.0%
Average Change in Tax Bill	111.8%		-68.6%	
Detailed Change in Tax Bill				
20% or More	7,578	82.2%	292	3.2%
10% to 19%	300	3.3%	18	0.2%
1% to 9%	665	7.2%	24	0.3%
0%	399	4.3%	32	0.3%
-1% to -9%	51	0.6%	38	0.4%
-10% to -19%	33	0.4%	39	0.4%
-20% to -29%	24	0.3%	59	0.6%
-30% to -39%	36	0.4%	103	1.1%
-40% to -49%	26	0.3%	199	2.2%
-50% to -59%	17	0.2%	582	6.3%
-60% to -69%	17	0.2%	1,724	18.7%
-70% to -79%	16	0.2%	3,716	40.3%
-80% to -89%	14	0.2%	1,224	13.3%
-90% to -99%	13	0.1%	930	10.1%
-100%	29	0.3%	238	2.6%
Total	9,218	100.0%	9,218	100.0%

Note: Percentages may not total due to rounding.

★★★★★★
 LOWER LOCAL HOMESTEAD
 CREDITS RAISE
 HOMEOWNER TAX BILLS
 ★★★★★★

Homestead Property Taxes

Homestead property taxes increased 111.8% on average in Montgomery County in 2011. This was much more than the state average of 4.4%. Montgomery County homestead taxes were still 68.6% lower in 2011 than they were in 2007, before the big tax reform. Montgomery County offers an extraordinary amount of local property tax relief through tax credits funded by local income taxes. This keeps homeowner tax bills low. The drop in local income tax distributions in 2011 caused a decrease in local homestead credits. The resulting percentage increase in tax bills was large because tax bills were so low to start with.

Tax Rates

Property tax rates increased in almost all Montgomery County tax districts. The average tax rate increased 6.8%, mainly because of an increase in the levy. Levies in Montgomery County increased by 5.9%. The biggest levy increases were in the county general and jail lease rental funds, the South Montgomery Community Schools capital projects fund, and the Crawfordsville Community Schools bus replacement and debt service funds. Montgomery County's total net assessed value increased 0.5% in 2011. (The certified net AV used to compute tax rates declined by 0.9%.) Homestead net assessments grew by 7.3% while agricultural net assessments decreased by 8.6%. Other residential assessments showed a small decline at 0.4%, while business net assessments increased by 1.3%.

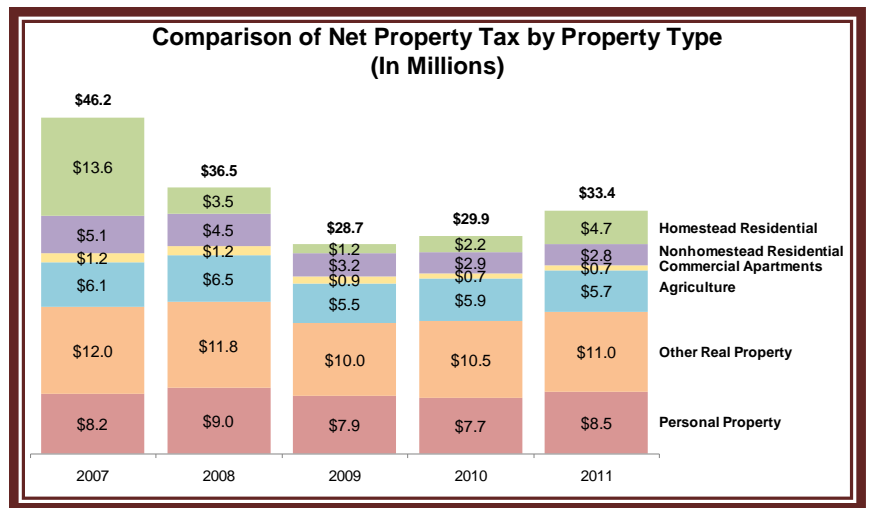
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*INCREASED BUSINESS TAXES AND
DECREASED AGRICULTURAL, OTHER
RESIDENTIAL, AND APARTMENT TAXES*

★★★★★★

Net Tax Bill Changes - All Property Types

Net tax bills for all taxpayers rose 11.8% in Montgomery County in 2011, more than the statewide increase of 2.8%. Other residential property, which includes smaller rentals and second homes, saw net tax bills decrease by 4.4%. Tax bills for commercial apartments fell 2.9%. Business tax bills - which include commercial, industrial and utility buildings, land and equipment - increased by 7.4%. Agricultural tax bills declined 2.5%, despite the 3.2% increase in the base rate assessment of farm land, from \$1,250 to \$1,290 per acre for taxes in 2011.



Tax Cap Credits

Property taxes are capped at 1% of gross assessed value for homesteads, 2% for other residential property (including rental housing and second homes) and farmland, and 3% for business land, buildings, and equipment. Taxpayers receive credits when their tax bills exceed the caps. Credits are revenue lost to local governments.

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*TAX CAP CREDITS INCREASED
IN 2011*

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Total tax cap credit losses in Montgomery County were \$3.3 million, or 7.6% of the levy. This was less than the state average loss rate of 9.2%, but more than the median value of 3.8% among all counties. Tax rates are the main determinant of tax cap credits. Montgomery's average tax rate was near the state median, but in one taxing district the rate was well above \$3 per \$100 assessed value. This made property in the 2% and 3% categories eligible for tax cap credits.

About half of the total tax cap credits were in the 2% nonhomestead/farmland category; most of the rest were in the 3% business category. Montgomery County had no tax cap credits in the 1% homestead category because its large local homestead credits keep homestead tax bills low. The largest percentage losses were in the city of Crawfordsville and the Crawfordsville Community School Corporation. The largest dollar losses were in these two Crawfordsville units and the county unit.

Montgomery County Tax Cap Credits	1%	2%	3%	Elderly	Total	% of Levy
2010 Tax Cap Credits	\$0	\$1,636,767	\$985,674	\$91,115	\$2,713,556	6.7%
2011 Tax Cap Credits	0	1,691,648	1,393,214	204,692	3,289,554	7.6%
Change	\$0	\$54,880	\$407,541	\$113,578	\$575,998	0.9%

Tax cap credits increased in Montgomery County in 2011 by \$575,998, or 21%. The additional

credits represent an added loss of 0.9% of the total tax levy. Most of the increase in tax cap credits was in the 3% tax cap category. The tax cap credit increases were the result of higher tax rates.

The Effect of Recession

The 2009 recession had a mixed effect on Montgomery County assessments for pay-2011. Other residential property values and construction activity appear to have fallen in Montgomery County in 2009, but increases in business and homestead values offset this decline. Lower incomes in 2009 resulted in lower local income tax distributions in 2011, which reduced the local homestead credit. This increased homestead tax bills, but did not affect tax cap credits. Sluggish growth in assessed value resulted in bigger increases in tax rates, which contributed to the added tax cap credit losses.

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*2009 RECESSION HAD MIXED EFFECTS
ON ASSESSMENTS IN 2011*

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Property Type	Gross AV 2010	Gross AV 2011	Gross AV Change	Net AV 2010	Net AV 2011	Net AV Change
Homesteads	\$1,184,961,850	\$1,230,039,120	3.8%	\$469,066,260	\$503,424,417	7.3%
Other Residential	163,242,470	162,360,900	-0.5%	150,614,333	150,031,910	-0.4%
Ag Business/Land	408,456,300	373,399,700	-8.6%	407,398,900	372,386,300	-8.6%
Business Real/Personal	1,141,604,762	1,170,706,804	2.5%	847,917,784	859,324,603	1.3%
Total	\$2,898,265,382	\$2,936,506,524	1.3%	\$1,874,997,277	\$1,885,167,230	0.5%

Net AV equals Gross AV less deductions and exemptions • Tax rates are calculated on Net AV • Circuit breaker tax caps are calculated on Gross AV

Montgomery County Levy Comparison by Taxing Unit

Taxing Unit						% Change			
	2007	2008	2009	2010	2011	2007 - 2008	2008 - 2009	2009 - 2010	2010 - 2011
County Total	57,753,226	56,939,232	35,445,236	39,461,256	41,778,646	-1.4%	-37.7%	11.3%	5.9%
State Unit	44,481	47,454	0	0	0	6.7%	-100.0%		
Montgomery County	10,204,579	9,453,161	5,900,022	7,206,837	8,232,699	-7.4%	-37.6%	22.1%	14.2%
Brown Township	44,947	46,206	58,592	63,079	50,164	2.8%	26.8%	7.7%	-20.5%
Clark Township	31,148	31,982	32,499	33,680	34,656	2.7%	1.6%	3.6%	2.9%
Coal Creek Township	125,634	91,822	101,959	104,378	81,416	-26.9%	11.0%	2.4%	-22.0%
Franklin Township	29,722	31,442	30,386	32,031	32,882	5.8%	-3.4%	5.4%	2.7%
Madison Township	130,154	131,681	139,263	145,366	117,201	1.2%	5.8%	4.4%	-19.4%
Ripley Township	62,548	51,737	107,241	72,779	33,157	-17.3%	107.3%	-32.1%	-54.4%
Scott Township	30,975	31,692	32,517	33,829	34,010	2.3%	2.6%	4.0%	0.5%
Sugar Creek Township	17,609	18,069	18,613	19,300	19,793	2.6%	3.0%	3.7%	2.6%
Union Township	488,792	500,364	490,292	510,929	508,015	2.4%	-2.0%	4.2%	-0.6%
Walnut Township	34,180	35,085	34,968	35,920	22,232	2.6%	-0.3%	2.7%	-38.1%
Wayne Township	86,055	69,351	75,149	36,774	37,694	-19.4%	8.4%	-51.1%	2.5%
Crawfordsville Civil City	7,188,139	7,441,264	6,514,365	7,304,911	7,509,752	3.5%	-12.5%	12.1%	2.8%
Alamo Civil Town	4,889	5,045	4,408	5,058	5,045	3.2%	-12.6%	14.7%	-0.3%
Darlington Civil Town	69,789	72,224	70,184	73,491	76,344	3.5%	-2.8%	4.7%	3.9%
Ladoga Civil Town	109,399	112,874	146,417	155,061	158,819	3.2%	29.7%	5.9%	2.4%
Linden Civil Town	74,328	72,711	59,618	41,732	72,963	-2.2%	-18.0%	-30.0%	74.8%
New Market Civil Town	47,030	49,942	47,047	50,961	52,238	6.2%	-5.8%	8.3%	2.5%
Waveland Civil Town	26,141	27,791	28,949	30,064	30,726	6.3%	4.2%	3.9%	2.2%
Waynetown Civil Town	69,066	71,369	73,065	75,553	77,375	3.3%	2.4%	3.4%	2.4%
Wingate Civil Town	59,791	53,288	47,019	47,018	46,885	-10.9%	-11.8%	0.0%	-0.3%
New Richmond Civil Town	57,159	58,523	61,598	63,939	55,883	2.4%	5.3%	3.8%	-12.6%
New Ross Civil Town	27,855	28,474	29,386	30,335	30,989	2.2%	3.2%	3.2%	2.2%
North Montgomery Community School Corp	12,517,144	11,442,464	6,085,075	6,119,137	6,212,399	-8.6%	-46.8%	0.6%	1.5%
South Montgomery Community School Corp	12,160,451	12,290,008	7,766,421	7,751,485	8,306,850	1.1%	-36.8%	-0.2%	7.2%
Crawfordsville Community School Corp	12,223,252	12,699,664	5,684,750	7,594,478	7,992,728	3.9%	-55.2%	33.6%	5.2%
Crawfordsville Public Library	1,461,759	1,682,119	1,505,790	1,509,921	1,632,322	15.1%	-10.5%	0.3%	8.1%
Darlington Public Library	52,250	54,179	55,136	58,459	60,032	3.7%	1.8%	6.0%	2.7%
Ladoga Public Library	40,454	41,797	44,056	45,584	46,947	3.3%	5.4%	3.5%	3.0%
Linden Public Library	175,249	133,168	135,694	141,964	139,442	-24.0%	1.9%	4.6%	-1.8%
Waveland Public Library	58,257	62,282	64,757	67,203	66,988	6.9%	4.0%	3.8%	-0.3%
West Central Indiana Solid Waste Mgt Dist	0	0	0	0	0				
Crawfordsville Redevelopment Comm	0	0	0	0	0				

Montgomery County 2011 Tax Rates, Credit Rates, and Net Tax Rates for Homesteads by Taxing District

Dist #	Taxing District	Tax Rate	Credit Rates						Net Tax Rate, Homesteads
			LOIT PTRC	COIT Homestead	CEDIT Homestead	CEDIT Residential	LOIT Homestead	LOIT Residential	
54001	Brown Township	1.7294	2.6803%	--	6.7427%	--	54.0209%	--	0.6322
54003	Brown Township-LR Conservancy	1.7294	2.6803%	--	6.7427%	--	54.0209%	--	0.6322
54004	New Market Town-Brown Township	2.2115	2.6803%	--	6.7427%	--	54.0209%	--	0.8084
54005	Waveland Town	2.0619	2.6803%	--	6.7427%	--	54.0209%	--	0.7538
54006	Waveland Town-LR Conservancy	2.0619	2.6803%	--	6.7427%	--	54.0209%	--	0.7538
54007	Clark Township	1.6867	2.6803%	--	6.7427%	--	54.0209%	--	0.6166
54009	Ladoga Town	2.4662	2.6803%	--	6.7427%	--	54.0209%	--	0.9015
54011	Coal Creek Township	1.4463	2.6803%	--	6.7427%	--	54.0209%	--	0.5287
54012	Wingate Town	2.2299	2.6803%	--	6.7427%	--	54.0209%	--	0.8152
54013	New Richmond Town	2.6191	2.6803%	--	6.7427%	--	54.0209%	--	0.9574
54014	Franklin Township	1.4652	2.6803%	--	6.7427%	--	54.0209%	--	0.5356
54015	Darlington Town	2.0633	2.6803%	--	6.7427%	--	54.0209%	--	0.7543
54016	Madison Township	1.5775	2.6803%	--	6.7427%	--	54.0209%	--	0.5767
54017	Linden Town	2.1054	2.6803%	--	6.7427%	--	54.0209%	--	0.7697
54018	Ripley Township	1.6414	2.6803%	--	6.7427%	--	54.0209%	--	0.6000
54019	Alamo Town	2.1200	2.6803%	--	6.7427%	--	54.0209%	--	0.7750
54020	Scott Township	1.6306	2.6803%	--	6.7427%	--	54.0209%	--	0.5961
54022	New Market Town-Scott Township	2.1126	2.6803%	--	6.7427%	--	54.0209%	--	0.7723
54023	Sugar Creek Township	1.3906	2.6803%	--	6.7427%	--	54.0209%	--	0.5083
54024	Union Twp-N Montgomery Schools	1.5487	2.6803%	--	6.7427%	--	54.0209%	--	0.5661
54025	Union Twp-S Montgomery Schools	1.7712	2.6803%	--	6.7427%	--	54.0209%	--	0.6475
54027	Union Twp-Crawfordsville Schools	2.5721	2.6803%	--	6.7427%	--	54.0209%	--	0.9403
54028	Crawfordsville City-N Montgomery Sch	2.7619	2.6803%	--	6.7427%	--	54.0209%	--	1.0096
54029	Crawfordsville City-S Montgomery Sch	2.9844	2.6803%	--	6.7427%	--	54.0209%	--	1.0910
54030	Crawfordsville City-Crawfordsville Sch	3.7853	2.6803%	--	6.7427%	--	54.0209%	--	1.3838
54031	New Market-Union Township	2.2649	2.6803%	--	6.7427%	--	54.0209%	--	0.8280
54032	Walnut Township	1.6031	2.6803%	--	6.7427%	--	54.0209%	--	0.5860
54034	New Ross Town	2.1675	2.6803%	--	6.7427%	--	54.0209%	--	0.7924
54036	Wayne Township	1.4003	2.6803%	--	6.7427%	--	54.0209%	--	0.5119
54037	Waynetown Town	2.0207	2.6803%	--	6.7427%	--	54.0209%	--	0.7387

Notes: A *Taxing District* is a geographic area of a county where taxing units overlap, so the sum of the taxing unit tax rates is the total district rate.

The *Tax Rate* is the gross levy divided by net assessed value, in dollars per \$100 assessed value.

The *LOIT*, *COIT*, and *CEDIT* credits are funded by local income taxes.

The *Net Tax Rate for Homesteads* is calculated by reducing the tax rate by the various credit percentages.

Montgomery County 2011 Circuit Breaker Cap Credits

Taxing Unit Name	Circuit Breaker Credits by Property Type					Circuit Breaker as % of Levy	
	(1%) Homesteads	(2%) Other Residential and Farmland	(3%) All Other Real/Personal	Elderly	Total	Levy	
<i>Non-TIF Total</i>	0	1,641,139	1,239,517	194,469	3,075,124	41,778,646	7.4%
<i>TIF Total</i>	0	50,508	153,698	10,224	214,430	1,369,234	15.7%
<i>County Total</i>	0	1,691,648	1,393,214	204,693	3,289,555	43,147,880	7.6%
Montgomery County	0	200,490	145,685	32,722	378,897	8,232,699	4.6%
Brown Township	0	6	0	128	134	50,164	0.3%
Clark Township	0	392	0	108	500	34,656	1.4%
Coal Creek Township	0	99	0	112	211	81,416	0.3%
Franklin Township	0	3	0	67	70	32,882	0.2%
Madison Township	0	88	0	84	172	117,201	0.1%
Ripley Township	0	16	0	92	108	33,157	0.3%
Scott Township	0	2	0	55	57	34,010	0.2%
Sugar Creek Township	0	0	0	14	14	19,793	0.1%
Union Township	0	9,447	6,877	2,265	18,588	508,015	3.7%
Walnut Township	0	18	0	40	58	22,232	0.3%
Wayne Township	0	0	0	180	180	37,694	0.5%
Crawfordsville Civil City	0	533,398	412,364	42,950	988,712	7,509,752	13.2%
Alamo Civil Town	0	98	0	3	100	5,045	2.0%
Darlington Civil Town	0	90	0	515	605	76,344	0.8%
Ladoga Civil Town	0	9,902	0	1,289	11,191	158,819	7.0%
Linden Civil Town	0	431	0	270	701	72,963	1.0%
New Market Civil Town	0	886	0	716	1,603	52,238	3.1%
Waveland Civil Town	0	36	0	164	200	30,726	0.7%
Waynetown Civil Town	0	0	0	735	735	77,375	1.0%
Wingate Civil Town	0	1,003	0	166	1,170	46,885	2.5%
New Richmond Civil Town	0	2,472	0	136	2,609	55,883	4.7%
New Ross Civil Town	0	477	0	376	853	30,989	2.8%
North Montgomery Community Sch Corp	0	27,190	0	21,547	48,737	6,212,399	0.8%
South Montgomery Community Sch Corp	0	19,586	0	19,689	39,275	8,306,850	0.5%
Crawfordsville Community School Corp	0	773,702	628,911	61,360	1,463,973	7,992,728	18.3%
Crawfordsville Public Library	0	60,342	45,680	8,049	114,071	1,632,322	7.0%
Darlington Public Library	0	11	0	149	160	60,032	0.3%
Ladoga Public Library	0	818	0	175	993	46,947	2.1%
Linden Public Library	0	104	0	100	205	139,442	0.1%
Waveland Public Library	0	32	0	212	243	66,988	0.4%
W Central Indiana Solid Waste Mgt Dist	0	0	0	0	0	0	
Crawfordsville Redevelopment Comm	0	0	0	0	0	0	
TIF - Crawfordsville	0	50,376	153,698	10,219	214,293	1,055,717	20.3%
TIF - Crawfordsville O S North	0	132	0	0	132	309,294	0.0%
TIF - Nucor Road SE - Franklin	0	0	0	0	0	859	0.0%
TIF - Nucor Road SE - Walnut	0	0	0	0	0	118	0.0%
TIF - Nucor Road SE - North Union	0	0	0	4	4	3,246	0.1%
TIF - Nucor Road SE - South Union	0	0	0	0	0	0	

Notes: Circuit breaker tax cap credits are tax savings for taxpayers and revenue losses for local government units. Circuit breaker credits are highest in tax districts with the highest tax rates. These are usually districts that include cities or towns because the municipal tax rate is included in the district tax rate. This means that most circuit breaker credits are in cities and towns and in units that overlap cities and towns.

Circuit Breaker Credit Types:

Homesteads are owner-occupied primary residences and include homestead land and buildings in the 1% tax cap category. Owner-occupied mobile homes and agricultural homesteads are included in this category. This category only includes credits on the portion of the property that qualifies as a homestead.

Other Residential/Farmland includes small rental housing units, larger commercial apartments, second homes, long-term care facilities, and farmland, in the 2% tax cap category.

All Other Real/Personal is commercial, industrial, and utility land and buildings, and business equipment, including agricultural equipment, in the 3% tax cap category. This category also includes credits on the portion of homeowner properties that do not qualify as a homestead.

Elderly includes credits for the 2% annual limit on homestead tax bill increases for low-income homeowners, age 65 and over.

The *Total Levy by Unit* is gross property taxes levied, before all tax credits. For TIF districts, this amount represents the TIF proceeds before circuit breaker credits. This information is included to allow comparison to the circuit breaker revenue losses.

Numbers may not total due to rounding.